

Monthly Business Report Your Success in One Simple Document

This guide is designed to help you understand the information contained in your business report, enabling you to use your report as an enrollment tool as well as a management tool.

Your monthly Business Report tracks the activity of every customer of your organization, pinpointing increases and decreases in activity from month to month. With a clear understanding of the information contained in the report, you can motivate and recognize your Marketing Executives while directing your business toward success.

Successful Melaleuca Marketing Executives understand that their success is based on a measurement of their performance. Experience has shown that when performance is measured, performance improves. When performance is measured and reported, the rate of improvement accelerates. When performance is measured, reported, and rewarded, the improvement is optimized. For additional details, please refer to the Melaleuca Compensation Plan.

Personal Information Summary

Bill or Lucy Cameron	Personal Melaleuca Product Points	2
250 Harris Blvd	Personal Vitality/Nicole Miller Product Points	74
Blaine, ND 58230	Date Last Purchased	11/30/1999
(701) 425-3435	Active Enrollees	28
Cust# 720885463	Active Personal Directors	4
Enrollers Name Linda Or Troy Britain	Active Directors	16
Preferred Customer Renewal Date 08/31/2000	Executive Status	Director V
Preferred Customer	Active Executive Status	Director V
Yes 75	Melaleuca Marketing Executive	Yes
	Cumulative Product Points	124,042
	Advantage Balance	29.30

1. The number of your personally enrolled customers who purchased their minimum Product Points within the month.
- 1a. The highest status you have achieved.
- 1b. Your current active status.
- 1c. The total Product Point volume generated in an organization during the last 12 months.
- 1d. The number of Advantage Dollars in your Advantage account as of the last day of the month.

2 Support Team Marketing Executives

CTRY	Gen	Name	Address	City	St	Zip	Phone	Status
USA	7	Jamie S Brown	2187 Rita Dr	Eustis	FL	32726	(352) 245-8803	Executive Director III
USA	6	Jessie James	104 West 9th Ave	Blanding	UT	84511	(801) 678-3020	Executive Director
USA	5	Michael Colvin	PO Box 285	Pinewood	CA	90274	(310) 227-4058	Executive Director V
USA	4	Sue S Steadman	639 Pinter Pl	Columbus	OH	43230	(614) 854-9889	Executive Director
USA	3	Theo C Nest	4214 Hackett Dr	Yorkshire	NJ	07840	(908) 816-1234	Executive Director II
USA	2	Linda or Troy Britain	85 Benson Rd Apt 19	Lexington	MA	02420	(781) 286-1075	Executive Director VIII
USA	1	Steven Young	4949 49th Ave	San Francisco	CA	91232	(318) 432-8888	Senior Director V

How to use: PERSONAL INFORMATION

- Take full advantage of Melaleuca's compensation plan by being preferred at 35 or 75 Product Points. Once you become a Director or above you need to be preferred at 75 Product Points.
- Place your order by the 25th of each month. This will ensure you receive your Advantage Dollars (1d).
- Use this section to find your status, number of personal enrollees, number of personal directors, and the Product Points you ordered last month.

SUPPORT TEAM

- This provides the addresses and phone numbers of your support team.

Active Enrollees

CTY	PC	M	AS	ES	VS	G	EP	PD	NE	CR	Name	Address	City	St	Phone	Enrld	Prod Pts	Mel	Vit/NM	Prod Pts	PEG/Org
USA	X		C	C							Edward R Martinez	3533 W 18th Ave	Annapolis	MD	(201) 736-0682	56		79	79		1.1
USA	35	L	M3+	D		3	2		2		Catherine Bell	12826 Walnut Cr	Beserock	FL	(352) 939-8888	65	10	65	1865		1.06
USA	75	L	D2*	D		5	9	1	4		Melissa Mote	5707 Elsie St	Bernard	IN	(284) 435-1940	65	70	6	2857		.51

3. A number in this column indicates the number of Product Points included in the Backup Order authorized by the customer on his/her Customer Agreement form. An "X" in this column indicates that Preferred Customer privileges are suspended for the customer and the customer should call Melaleuca Business Development at (208) 522-0870.
- 3a. An "L" in this column signifies a Preferred Customer who receives long-distance telephone service through *MelaCom*™.
- 3b. This column contains the active status of your customers as follows:
C - Customer S-S5 - Senior Director-Senior Director V
M - Marketing Executive D-D5 - Director-Director V
E-E9 - Executive Director-Executive Director IX
CD - Corporate Director
- 3c. "+" Indicates an advancement in status compared to the preceding month.
"-" Indicates a drop in status compared to the preceding month.
"*" Indicates advancement(s) to a new high status.
- 3d. The "ES" column is the highest status achieved by this Marketing Executive.
- 3e. The "VS" column indicates volume status (derived solely by group volume).
- 3f. The "EP" column is the Marketing Executive's total number of personally enrolled Preferred Customers. "PD" is the Marketing Executive's total number of personally enrolled Directors. "NE" is the total number of this Marketing Executive's new enrollments for that month.
- 3g. A number 1-5 indicates the goal set by the Marketing Executive, which corresponds with the level of participation indicated on his/her Independent Marketing Executive Agreement.
- 3h. Melaleuca Product Points purchased by your personally enrolled customer within the month.
- 3i. The total number of Product Points purchased by your personally enrolled customer's organization.
- 3j. Your Personal Enrollee Group Volume (PEG) or the sum of all your personal enrollees' Organization Volumes.
- 3k. The number of months your personally enrolled customer has been an active customer.
- 3l. The ratio of PEG volume to Organization Volume.

How to use: ACTIVE ENROLLEES

- An active enrollee is any customer who orders 35 Product Points or more in any given month.
- If a personal enrollee has a * next to their status (3c), call them and celebrate their success in reaching a new high status.
- Ensure that all of your personal Directors are Preferred at 75 Product Points (3). This helps to ensure they keep their status.

INACTIVE ENROLLEES

- If you are surprised that a personal enrollee is not active, call him/her immediately and resolve their concerns.

4 Inactive Enrollees

CTRY	PC	MC	AS	G	NE	Name	Address	City	St	Zip	Phone	Mths Enrld	Prod Pts Mel	Org Vit/NM	Prod Pts PEG/Org
USA			C	3		Lee Williams	9857 Wheatfield Rd	Des Moines	IA	51101	(604) 420-8107	16*		0	
USA			C	1		Terry A Smith	671 Kingsmen Highway	Framingham	MA	02499	(604) 521-4317	6*		0	

Product Introduction Commission

Name	St	Phone	Manager Name	Prod Pts		Pts	%	Commission
				Mel	Vit/Nm			
Paul Tracy	BC	(604) 421-8303	Willard Roberts	100	X	27%	27.00	
Willard Roberts	BC	(604) 521-1251	Cecily L Han	35	X	0% B	0.00	
Total Product Introduction Commission							27.00	

5 5a

5. Product Introduction Commission you earned from new customers (20% is paid to the enroller and 7% is paid to the Marketing Executive).

5a. No Product Introduction Commission will be paid on a customer who receives a Backup Order or Select Pack.

How to use:
PRODUCT INTRODUCTION

- Help your new personal enrollee place his/her first order so that you can take advantage of the Product Introduction Commission.

Organization Commission

CTY	GEN	PC	M	AS	ES	G	EP	PD	NE	Customer Name	St	Phone	Enroller	Phone	Nbr	Mths	CB	Prod Pts		%	Commis
																		Mel	Vit/NM		
USA	1...	35	L	D	D	5	9	1	2	• Kenny Davis	ID	(208) 555-2465	B. Cameron	(604) 421-3430	46	13		29	46	20	15.00
CAN	2...	35	L	M	M	3	0			Rudy Mazzota	BC	(604) 464-1470	K. Davis	(604) 552-1875	4	13		7	32	7	2.73
CAN	3...	35	M	M	D	3	2		1	Elmo A Davis	BC	(604) 987-4374	K. Davis	(604) 552-1875	2	12		14	29	7	3.01
CAN	4...	35	L	M	M	1	0			Teresa Smith	BC	(604) 987-2177	E. Davis	(604) 987-4374	1	6	2P	21	15	7	2.52
CAN	2...	35	L	M	M	5	0			* Millie or Ray Ginn	BC	(604) 464-1029	K. Davis	(604) 552-1875	1	13*				0	0.00
USA	2...	75		D	D2	4	11		4	Carmen Greene	FL	(407) 941-7026	K. Davis	(604) 552-1875	22	12		8	77	7	5.95
USA	3...	35	L	M	M	1	0			Catherine Z Jones	FL	(407) 944-4929	C. Greene	(407) 941-7026	11	11*		7	64	7	4.97
USA	4...	35	L	M	M	3	0			@ Rosanna Von Sacken	FL	(407) 552-0531	C. Greene	(407) 941-7026	1	11		29	10	7	2.73
CAN	4...	35		M	M	1	0			Keith or Sandy Smith	BC	(604) 942-7471	C. Greene	(407) 941-7026	2	11		3	26	7	2.03
USA	2...			M	M3	3	0			Al Browning	VA	(757) 942-3067	C. Greene	(407) 941-7026	1	11**				0	0.00
USA	3...	35		C		1	0			Warren Collins	MN	(218) 941-4506	C. Greene	(407) 941-7026	0	1		34		0	** ** *

- 6. The number in this column indicates the generation for the customer in relation to you.
- 6a. A number (1-5) indicates the goal set by the Marketing Executive, which corresponds with the level of participation indicated on his/her Independent Marketing Executive Agreement.
- 6b. The Marketing Executive's total number of personally enrolled Preferred Customers.
- 6c. The Marketing Executive's number of personally enrolled customers who have achieved the active status of Director.
- 6d. The number of new enrollments by that Marketing Executive this month.
- 6e. The total number of customers in the named Marketing Executive's organization.
- 6f. The number of months the customer has been active.
- 6g. "*" One star immediately following the number indicates that the

- customer is inactive for the month being reported.
- "*" One star separated from the number by a space indicates that the customer was inactive for the previous month, but is active for the current month.
- ** Two stars immediately following the number indicate that the customer has been inactive for two consecutive months.
- 6h. The number preceding either "B", "P", or "C" indicates the number of consecutive months the customer has received a Backup Order, Select Pack, or Convenience Certificate.
- 6i. The customer's total personal Product Points in Melaleuca for the month.
- 6j. The commission percentages (7%-20%) for which you qualified.
- 6k. The amount of commission in dollars and cents for which you qualified.
- 6l. "****" - Indicates the Product Introduction Commission was paid to the Enroller and/or Marketing Executive.

How to use:
ORGANIZATION COMMISSION

- Teach the 7 Critical Business Building Activities to every customer that has a 3, 4, or 5 as their goal (6a).
- 6b shows you which Business Builders are enrolling. Leverage your business activities with leaders that are enrolling each month.
- Encourage your personally enrolled Marketing Executive to strive for a minimum of four enrollments every month (6d).
- You want your customers to experience all of Melaleuca's products. If you see customers in 6h that have received multiple Backup Orders, you should invite this customer to try a product that they are not familiar with. This will help educate your customers about Melaleuca products.

Pacesetter Schedule

Executive Status		Director V	
Active Status	Director V	Director V	Director V
Preferred Customer	Yes	Yes	Yes
Career or Value Pack Purchased	Yes	Yes	Yes
Pacesetter Enroller Bonus			
7a	New Enrollees	Enroll Date	C/V
	Keith A Wallace	06/22/00	Yes
	Shirley M LeBlanc	06/26/00	Yes
	Bobbi J Bordeleau	06/30/00	No
	Director Status	Potential Bonus	Bonus Earned
	07/31/00	\$100.00	\$100.00
	07/31/00	\$100.00	\$0.00
	07/31/00	\$100.00	\$0.00
	Total Enroller Bonus	\$100.00	
Pacesetter Leadership Bonus			
7b	Active Personal Enrollees Required	D2	D3
	Date to Achieve Status	03/31/00	05/30/00
	Potential Pacesetter Bonus	\$0	\$0
	Potential One-Time Leadership Bonus	\$250	\$500
	Pacesetter Bonus Earned	\$0	\$0
	Total Pacesetter Bonus	\$1500.00	\$0

- 7. Indicates the customer's Pacesetter eligibility, including status, activity, and whether they have purchased a Career or Value Pack.
- 7a. This shows the new enrollees, their enrollment date, whether they purchased a Career or Value Pack, whether they are Preferred or not, their deadline for achieving Director, the potential Enroller Bonus, and the actual Enroller Bonus paid.

- 7b. This indicates the Pacesetter timeline and advancement requirements for the Marketing Executive, including the potential Pacesetter Bonus and the actual bonus paid.

How to use:
PACESETTER NEW CUSTOMERS

- Qualify your customer for Pacesetter Bonuses by:
 - Purchasing a Career or Value Pack.
 - Becoming a Preferred Customer.
 - Reaching required status within Pacesetter time frame.
- ENROLLER**
- You will qualify for Pacesetter Bonuses by:
 - Purchasing a Career or Value Pack.
 - Enrolling at least four customers every month. This will help you maintain momentum as you build your Melaleuca Business.

Leadership Development Bonus

	8	8a	8b	8c	
Personal Enrollee	Personal Enrollee's New Status Amount	Advancement or Pacesetter Bonus Amount	Had Status => Than Enrollee	Had an Average of 10 Leadership Points	Leadership Development Bonus Percentage
Russ Schomp	D2	500.00	Y	Y	20%
Alan G Tolliver	D2	250.00	Y	Y	20%
					Total Bonus
					100.00
					50.00
					<u>\$150.00</u>

- 8. The Advancement Bonus your new enrollee earned.
- 8a. To qualify for this bonus you need to be at a status equal to or higher than your personal enrollee.
- 8b. To qualify for this bonus, you need to have an average of 10 (15 if Senior Director or higher) Leadership Points (on a three month rolling average).
- 8c. This is the percentage of the One-Time Advancement Bonus or the Pacesetter Bonus that you earn. Directors II–Directors V earn 20%, Senior Directors earn 40%, and Executive Directors and Corporate Directors earn 100%.

How to use:

LEADERSHIP DEVELOPMENT BONUS

- Melaleuca rewards you for helping your personal enrollees reach their goals by paying you a percentage of your personal enrollee's Advancement Bonus.

Leadership Pools

Preferred Customer Activity				
	Apr	May	Jun	July
Total Organization Preferred Customers	584	771	828	791
Less Apr Rollups	0	0	0	0
Less May Rollups		0	0	0
Less Jun Rollups			0	0
Less July Rollups				0
Preferred Customers Less Rollups	<u>584</u>	<u>771</u>	<u>828</u>	<u>791</u>
Net Growth in Preferred Customers		187	57	-37
Apr to May Net Growth		187		
May to Jun Net Growth		57		
Jun to July Net Growth		-37		
3 Month Total Net Growth Months		<u>207</u>	<u>-37</u>	<u>3</u>
Preferred Customer Growth Factor		69.00	-12.31	
Leadership Points Earned Calculation				
	May	Jun	July	
Leads, Appointments, and Presentations For Your Personal Enrollees	9	0	12 (Maximum of 40)	
New Director Leadership Points	0	0	40	
Other Appointments and Presentations	<u>66</u>	<u>45</u>	<u>93</u>	
Total	75	45	151	
Leadership Points Earned				
May Leadership Points Earned	75			
Jun Leadership Points Earned	45			
July Leadership Points Earned		145		
Total Leadership Points Months		<u>265</u>	<u>3</u>	
Average Leadership Points		70 (Maximum 70)		
Leadership Point Multiplier		<u>3</u>		
Average Leadership Points after Multiplier		210		
Leadership Bonus Calculation				
Average Net PC Growth		69.00		
Active Status Factor (Director V)	X	1.50		
	X	<u>2</u>		
		207		
Average Leadership Points	+	<u>210</u>		
Leadership Bonus Points		417		
Leadership Growth Bonus		500		
Leadership Bonus Earned (or cap amount if applicable)	+	<u>2443.62</u>		
Leadership Bonus Earned		2943.62		

- 9. This section of your report shows your net Preferred Customers. Rollups into your organization are excluded.
- 9a. This is calculated by taking the greater of the average Organization Net Preferred Customer (PC) Growth for the previous three months or the current month's PC Growth divided by three.
- 9b. This section shows your Leadership Points and how you earned those points.
- 9c. Any Marketing Executive who earns a three month average of 40–69 Leadership Points will receive two times the Leadership credit earned. Any Marketing Executive who earns 70 or more Leadership Points will receive 210 Leadership Points for their Bonus Pool calculation.
- 9d. The formula is calculated as follows: Average Net PC Growth multiplied by Active Status Factor multiplied by 2 plus Average Leadership Points.
- 9e. Your Status Factor can be found in the Leadership Pools section of Melaleuca's Compensation Plan.

How to use:

LEADERSHIP POOLS

- Growth in Preferred Customers (9) is a great way to measure how your organization is doing. Melaleuca Leadership Pools reward you for growing your business.
- 9b shows you how your Leadership Points were earned. It is important that you help other Marketing Executives by doing presentations for their new enrollees. Remember, only 40 Leadership Points can come from your own personal enrollments.
- You earn Leadership Points by:
 1. Enrolling a personal customer = 3 Leadership Points
 2. Doing a presentation = 2 Leadership Points
 3. Selling a *Career* or *Value Pack* = 1 Leadership Point
- You can also earn 10 Leadership Points by helping a Personal Enrollee reach Director status in their first month of enrollment (see commissions plan for details).

New Customer Bonus

	Active Director or Above	Yes
	Enrolled Preferred Customers Who Placed an Order	Yes
	Number of New Personally Enrolled PC's	4
10	USA Roberta E Olson USA DeAnna R Holden	
	USA Irma Jimenez USA Andy Simon	
		3 X 25.00
		=====
	Bonus Earned on Personals	\$75.00
	Number of Personal's Personal Enrollees (For D2 and Above Only)	5
10a	USA Sean Friedlund	
	USA - Carolyn J Caldwell	
	USA - Debbie Sullivan	
	Bonus Earned on Personal's Personals	1 X \$25.00 = \$25.00
	Total Customer Enroller's Bonus Earned	\$100.00
	Less New Customer Bonus Retracted Due to Cancellations	25.00
10b	USA Lynn Switzer	
	Total	75.00

10. After enrolling one Preferred Customer in a month, active Directors and above earn \$25 for every additional Preferred Customer who enrolls and places a minimum product order for that month.
- 10a. After enrolling two Preferred Customers in a month, active Directors II and above earn \$25 for the second, third, fourth, fifth (and so forth)

- Preferred Customers enrolled in that month by their personally enrolled Directors or below.
- 10b. To keep your New Customer Bonus, new customers must place a minimum product order in the month of their enrollment and remain active Preferred Customers for at least four consecutive months.

How to use: NEW CUSTOMER BONUS

- Do the following:
 1. Help your new customer place their first order. A Backup Order will disqualify you from receiving this bonus.
 2. Submit all paperwork by the end of the month. If you are faxing paperwork, you will want to follow up your fax with a phone call to make sure everything was received.
 3. Enroll quality customers because they will continue to order from Melaleuca month after month.

Organization Returns

Name	Ref. #	Prod Pts. Returned	Amount retracted
Jean M Atkin	R 9999999	35	\$ 2.73
George Vernon	R 8888888	35	\$ 2.73

			\$ 5.46

11. Name of your customer who returned product.
- 11a. Reference number for the return.

- 11b. Number of Product Points returned.
- 11c. Amount being deducted from current month's commissions.

12 Bonus & Commissions Summary

	Earned
Product Introduction Commission	17.15
Organization Commission	1880.55
Pacesetter	1600.00
One-Time Advancement Bonus	1500.00
New Customer Bonus	75.00
Senior Director Car Bonus	400.00
Leadership Bonus	2443.62
MelaCom/Services Bonus	6.04
Career/Value Pack Commission Summary	50.00
International Organization Commission	2395.04
Organizational Returns	-5.46

Total	7186.94

12. The summary of all commissions and bonuses found throughout your business report.

13 Data Processing Fee

July Commission Check	
13 Aug 2003	
Regular Commission	7,186.94
Data Processing Fee	-48.80

Total Check Amount:	\$7,138.14

13. Fee charged to calculate, process, and send your monthly Business Report.

How to use: ORGANIZATION RETURNS

- If your customers have returned products to Melaleuca, call them and find out why. Resolve their concerns.

BONUS & COMMISSIONS SUMMARY

- This section summarizes all commissions and bonuses that were paid to you in the month. If you have any questions about this report, please call Business Development at (208) 522-0870.

Some sections of your Business Report are not highlighted in this document. The sections not included are Leadership Point Detail, Organization Totals, Personal Enrollee Group Volume Information, One-Time Advancement Bonus, Career & Value Pack Commissions, and Leadership Point Calculation. For more information on these sections, please call Business Development at (208) 522-0870.

